

## Housing Goals, Policies and Actions

### Goal 1. Adequate new housing to meet future community housing needs

**Policy 1a:** Ensure that an adequate amount of land is available for new residential development.

**Actions:**

1a-1: Maintain an adequate supply of vacant land zoned for a range of residential densities.

1a-2: Evaluate annually the amount of land available for development and the projected five-year need and adjust the General Plan and zoning as necessary to accommodate the City's ABAG-assigned regional housing allocation.

1a-3: Give high priority in the annual Capital Improvement Program to providing adequate public facilities to residentially zoned land needed to accommodate the City's ABAG-assigned regional housing allocation.

1a-4: Propose an amendment of the City's Residential Development Control System (RDCS) to allow the City to approve a sufficient number of housing unit allocations with the objective of meeting the City's ABAG-assigned regional allocation for each income group.

Responsibility: Morgan Hill Community Development Department

Timeframes: Actions 1a-1 through 1a-3: Annual review of availability of vacant land and five-year review and updating of housing element. General Plan and zoning changes to be presented to the City Council as needed.

Action 1a-4: Submit proposed amendment of RCDS to voters at the 2004 local election. If approved, implement revised allocation system as soon as permitted by the terms of the amendment.

Achievement: The voters approved amendments to the RDCS on March 2, 2004. The City then revised the allotment numbers which meet and exceed the ABAG-assigned regional allocation.

Funding: General Plan Update Fund

**Policy 1b:** Provide an adequate supply of land for multifamily housing located convenient to shopping, services, and transportation routes.

**Actions:**

1b-1: Maintain an adequate supply of multifamily zoned (R-3 and R-4) land for multifamily use to accommodate the City's ABAG-assigned regional housing allocation for lower-income households.

- 1b-2 Continue to pursue opportunities for land banking for future affordable housing development in areas zoned for multifamily or commercial that permit mixed projects, either through acquisition of suitable sites by the Redevelopment Agency or by assisting a non-profit housing developer in acquiring land for future development.

Responsibility: Housing Division.

Timeframe: Current and ongoing.

Funding: Redevelopment housing Set-Aside funds, CDBG, private foundation sources.

**Policy 1 c:** Encourage the allocation of the maximum possible number of housing units under RDCS allocations.

**Action:**

- 1c-1: Annually evaluate the outcome of allocation process to determine if further adjustments to the system are advisable to ensure that the annual allocations are maximized for both market-rate and affordable housing.

Responsibility: Community Development Department.

Timeframe: Current and ongoing. Biennially evaluate outcomes with respect to total units, affordable unit, units allocated to small-scale projects.

Funding: Community Development Fund.

**Policy 1d:** Encourage a variety of housing types and densities within the community.

**Actions:**

- 1d-1 Continue to ensure that an average 20 percent of all new housing allocations are designated for multifamily units.
- 1d-2 Ensure that a minimum of 30 percent of new multifamily units are rentals.
- 1d-3 Establish annual objectives under the RDCS allocation process for affordable housing based on past production and future needs.
- 1d-4 Avoid rezoning residential land for other uses and for lesser residential densities than shown on the General Plan.
- 1d-5 Require development of property designated as multi-family to occur at a density no less than the minimum density prescribed by the General Plan.

Responsibility: Community Development Department.

Timeframe: Current and ongoing.

Funding: Community Development Fund.

**Policy 1e:** Provide for a variety of single family lot sizes.

**Action:**

- 1e-1: Revise the Residential Planned Development Provisions of the Zoning Ordinance (Chapter 18.18) that permit a variety of lot sizes for single-family homes for consistency with Community Development Element Actions 7.1 and 7.2 that establish targets for the percentage of small-lot single-family detached homes in the Multi-Family Low designation.

Responsibility: Community Development Department.

Timeframe: Amend Chapter 18.18 by December 2002.

Achievement: The Zoning Ordinance was amended in 2003 to allow single family detached housing on smaller lot sizes in Multi-Family zoning districts.

Funding: Community Development Fund.

**Policy 1f:** Increase housing ownership in Morgan Hill through targeted assistance programs.

**Actions:**

- 1f-1: Develop a first-time homebuyer assistance program targeted to low- and moderate-income workers such as teachers and public safety employees.

- 1f-2: Assist in the development of small-lot, single-family detached homes incorporated into developments in the Multi-Family Low designation with housing prices affordable to low-, median-, and moderate-income households.

Responsibility: Community Development Department, Business Assistance and Housing Services Department.

Timeframe: Adopt first-time homebuyer program guidelines by December 2002.  
Provide orientation prior to annual RDCS competition (October 2002).

Achievement: Ten-unit teacher housing project completed in 2006.

Down payment assistance program for police officers implemented in 2002.

Amendments made in 2003 to allow 25 percent of the homes in multi-family districts to be detached.

Funding: Community Development Fund, redevelopment housing Set-Aside funds, HOME Program, Mortgage Revenue Bonds, Mortgage Credit Certificates.

**Policy 1g:** Promote and encourage provision of housing within new market rate development that is affordable to very low-, low-, median and moderate-income households.



**Actions:**

- 1g-1: Require that an appropriate percentage of all new market rate housing be affordable to lower-, median-, and moderate-income households.
- 1g-2: Continue to provide density bonuses and other incentives consistent with State law and local regulations for those projects committing to provide appropriate amounts of below market rate units. Other incentives may include:
- Exceptions to design and development standards on a case-by-case basis that reduce the cost of producing housing units without sacrificing the objectives for which these standards were adopted;
  - payment of fees from Redevelopment Agency tax increment housing Set-Aside funds;
  - priority permit processing to ensure that project funding is not jeopardized;
  - assistance in accessing funding by applying to, or supporting applications to, state, federal, and private agencies.

Responsibility: Community Development Department, Housing Division.

Timeframe: Current and ongoing.

Funding: Community Development Fund.

**Policy 1h:** Provide incentives through the RDCS to BMR and other affordable projects that provide a high percentage of affordable units.

**Actions:**

- 1h-1: Retain provisions within the RDCS that award points for developments that reserve a percentage of the proposed housing for below-market-rate units.<sup>1</sup>
- 1h-2: Allow small projects (fewer than 16 units) to pay “in lieu” fees when it is not feasible to provide affordable housing on site.<sup>2</sup>

---

*1 The RDCS offers incentives to promote the construction of below-market rate housing, both for purchase and for rent. In the competition for housing allotments, projects score higher if they reserve some of the proposed units at below-market-rates - This is the City's most significant method for providing housing for low and moderate income households. The program has been supported by the City Council and Planning Commission and accepted by the development community. It is expected to remain the primary vehicle for the production of new below-market-rate units during the five-year planning period.*

*2 Many communities that require low- and moderate-income housing assistance as conditions of development, allow developers to pay in lieu fees as an option to providing BMR housing. The money is then used by the City or its designate to create housing affordable to very low-, low-, and moderate-income households. Allowing in lieu fees provides developers of small projects a more financially viable alternative to constructing affordable units.. However, in lieu fees sometimes make it more difficult to provide and integrate low- and moderate-income units into the rest of the community because a suitable site must be acquired and the affordable units are concentrated on that site.*

Responsibility: Community Development Department, Housing Division.

Timeframe: Current and ongoing.

Funding: Community Development Fund, redevelopment housing Set-Aside funds.

**Policy 1i:** Reserve a portion of the annual RDCS housing allocations for projects with 100 percent affordable housing.

**Actions:**

- 1i-1: Continue to reserve a minimum of 20 percent of the annual RDCS building allotments for projects that are 100% affordable considering annual needs at each income group.
- 1i-2: Continue to use RDA Housing Set-Aside funds for financing 100 percent affordable projects, and consider assistance to below-market-rate ownership housing where a financing gap can be demonstrated.
- 1i-3: Continue to assist market rate and non-profit developers in developing affordable rental housing. (See Policy 1g-3 for potential incentives.)
- 1i-4: Work with a non-profit housing agency to acquire older, substandard market rate rental units for conversion to a mix of market rate and affordable units.

Responsibility: Community Development Department, Housing Division.

Timeframe: Actions 1i-1 through 1i-3, current and ongoing (2001 – 2006)

Action 1i-4: Inventory rental housing stock to identify potential properties for acquisition and conversion to affordable housing. Complete a rental inventory by December 2002 and update every two years thereafter.

Meet with interested non-profit and/or for-profit housing developers semi-annually or more frequently as appropriate to determine interest in the acquisition of existing rental housing or the development of affordable housing on remnant parcels.

Achievement: Inventory conducted. In conjunction with South County Housing, an existing sub-standard rental property was acquired and is currently being redeveloped with 12 for-sale townhouses for low to moderate income persons and 55 rental units for very low and low income persons.

Funding: General Fund and Redevelopment Housing Set-Aside funds.

**Policy 1j:** Encourage the production of multifamily units appropriate for larger households.

**Actions:**

- 1j-1 Ensure that new affordable BMR rental units assisted with RDA funds provide a specified percentage of three- and four-bedroom units.



- 1j-2: Ensure that new BMR ownership units continue to offer a significant percentage of three- and four-bedroom units in consideration of the proportion of large, low-income families in relation to the population as a whole.<sup>3</sup>

Responsibility: Community Development Department, Housing Division.

Timeframe: Current and ongoing.

Funding: Community Development Fund.

Achievement: Section 18.78.270 3 of the RDCS was amended in 2005 to award additional points to multi-family projects that propose units with three or more bedrooms.

**Policy 1k:** Permit manufactured housing on permanent foundations in residential areas.

**Action:**

- 1k-1: Retain provisions in the Zoning Ordinance that permit manufactured housing on single-family lots by right in residential zoning districts so long as the manufactured homes are placed on permanent foundations and meet all other City requirements.

Responsibility: Community Development Department, Housing Division.

Timeframe: Current and ongoing.

Funding: Community Development Fund.

**Policy 1l:** Encourage mobile home parks to develop in appropriate areas of the community in order to provide additional forms of affordable housing.

**Actions:**

- 1l-1: Continue to allow mobile home parks as conditional uses in the R-2 zone and manufactured home subdivisions within single-family residential zones as permitted uses.
- 1l-2: Provide incentives for the development of new mobilehome parks and manufactured home subdivisions (See Action 1-g2 for listing of potential incentives).
- 1l-3: Conduct an inventory of sites zoned Multi-Family (Low) density to identify potentially suitable locations for new mobilehome parks and manufactured home subdivisions. Provide this information to potentially interested developers.
- 1l-4: Identify one or more non-profit or for-profit entities that specialize in the development of mobilehome park or manufactured home subdivisions. Provide information on inventory of suitable sites to identified entities (Action 1i-3) and on the City's regulatory and financial incentives programs for affordable housing.

---

<sup>3</sup> Under the Morgan Hill BMR program, over 80 percent of housing units for sale are three-or four bedroom units suitable for large families.

Responsibility: Community Development Department, Housing Division.

Timeframe: Complete site inventory (Action 11-3) by December 2002. Contact potentially interested developers as appropriate thereafter.

Funding: Community Development Fund, redevelopment housing Set-Aside funds.

**Policy 1m:** Provide for a mix of residential and commercial development Downtown.

**Actions:**

1m-1: Retain the Central Commercial Residential (CC-R) zoning classification around the downtown core.

1m-2: Continue to work with nonprofit housing developers to identify appropriate sites through regular contacts with such organizations and maintenance of a site inventory for the benefit of nonprofits.

Responsibility: Community Development Department.

Timeframe: Current and ongoing.

Funding: Community Development Fund.

**Policy 1n:** Encourage new residential development in appropriate commercial areas.

**Action:**

1n-1: Continue to maintain the mixed residential and commercial uses classification on sites previously identified.

Responsibility: Community Development Department.

Timeframe: Current and ongoing.

Funding: Community Development Fund.

**Policy 1o:** Encourage development of second dwelling units on appropriate single-family lots.

**Action:**

1o-1: Investigate the appropriateness of encouraging second units in R-2 zones through modifications to the R-2 zoning standards.

Responsibility: Community Development Department.

Timeframe: Review current zoning standards by September 2002 and make modifications (if determined appropriate) by December 2002.

Achievement: Second units allowed in R-2 and R-3 districts. No changes required.

Funding: Community Development Fund, redevelopment Set-Aside funds.

**Policy 1p:** Participate in programs that assist very low- and low-income households to secure adequate housing.

**Actions:**

- 1p-1: Continue the Mortgage Credit Certificate program in conjunction with the County.<sup>4</sup>
- 1p-2: Require relocation assistance when private redevelopment displaces very low-, low-, or moderate-income residents.
- 1p-3: Encourage landlords to utilize rental assistance programs, such as housing vouchers and Section 8 vouchers administered by the Housing Authority of Santa Clara County.<sup>5</sup> The City will undertake the following actions:
  - 1. Refer rental property owners to the Santa Clara County's Housing Authority's waiting list.
  - 2. When in contact with rental property owners, the staff will inform them of the Housing Authority's vouchers program.
  - 3. Promote the availability of vouchers for use in the rental rehabilitation program.
- 1p-4: The City will evaluate as part of its comprehensive housing strategy a first- and last-month's rent and security deposit program for eligible renter households.

Responsibility: Housing Division.

Timeframe: 1p-1 through 1p-3: current and ongoing. 1p-4: by December 2002.

Achievement: First and last month's rent program evaluated and not identified as a high priority in 2003 Affordable Housing Strategy. This form of assistance is provided by other agencies serving Morgan Hill.

Funding: Redevelopment Housing Set-Aside funds, various state and federal funds.

---

*4 Mortgage Credit Certificates (MCCs) are aimed at assisting the first-time home-buyer. The MCCs allow qualified low or moderate income households to claim a tax credit on their Federal income tax up to 15 percent of their annual mortgage interest. This helps them (1) to qualify for a larger mortgage, and (2) to reduce their monthly outlay for housing. For recipients, the MCC often means the difference between being able and not being able to buy a home. The City has participated in the MCC program since 1990 and expects to continue to do so in the future as long as the program is continued by the County.*

*5 HUD's Section 8 rental assistance program issues a limited number of vouchers to local housing authorities to make up the difference between one-third of an eligible household's income and rental payments up to a set price. Participation in the program by property owners and landlords is voluntary. The City will continue to encourage local property managers and owners to participate in the program. City-assisted projects have participated in the Section 8 rental assistance program, when available in the past, and are expected to continue to do so.*



**Policy 1 q:** Leverage housing assistance funds wherever possible by combining them with funds from State, federal and other sources

**Actions:**

1q-1: Use RDA "20 percent" Housing Set-Aside funds for new affordable housing projects that cover a significant portion of project costs from other funding sources.

1q-2: Continue to work with local legislators and provide input to the State Legislature to ensure that State programs and legislation meet local housing needs and support local housing programs.

1q-3: Update, as needed, directories of state and federal housing and community development programs that provide financial assistance. Annually identify state and federal programs that are most applicable to Morgan Hill and have the greatest potential for funding affordable housing in the City.

Responsibility: Housing Division.

Timeframe: Current and ongoing.

Funding: Redevelopment housing Set-Aside funds, various state and federal funding programs (specific programs to be identified annually).

**Policy 1 r:** Provide housing assistance funds in the form of loans wherever possible so that the funds will eventually return to the City for future use

**Actions:**

1r-1: Provide home improvement loans through the City's Housing Rehabilitation program to very low-, low-, median-, and moderate-income homeowners.

1r-2: Provide financial assistance for substantial housing rehabilitation to rental property owners with very low- or low-income tenants in exchange for long-term affordability (as required by the funding source).

Responsibility: Housing Division.

Timeframe: Current and ongoing.

Funding: Redevelopment housing Set-Aside funds, various state and federal funding programs (specific programs to be identified annually).

**Policy 1s:** Monitor housing development and housing needs annually to ensure that goals and quantified objectives are being met.

**Actions:**

1s-1: Conduct a major review of housing demand by income and family size using 2000 Census data when that data becomes available in 2002.

1s-2: Review housing objectives annually and recommend program modifications if annual housing objectives are not being met.

Responsibility: Community Development Department, Housing Division.

Timeframe: Annual review to be conducted each year prior to the annual competition for housing unit allocations under RDCS. Major review of housing demand to be conducted in Fall of 2002, provided 2000 Census data on income is available by September 2002.

Achievement: Housing objectives are evaluated prior to the commencement of each RDCS competition and criteria are modified, as necessary, to better achieve those objectives.

Funding: General Plan Fund...

**Policy 1t:** Require all below-market-rate units to be restricted to use as affordable housing for the longest period of time possible, but in no case less than 45 years.

**Action:**

1t-1: Continue to require the recordation of deed restrictions for all affordable units

Responsibility: Housing Division.

Timeframe: Current and ongoing.

Funding: Redevelopment housing Set-Aside funds.

**Policy lu:** Preserve as many at-risk below-market-rate ownership and rental units as possible.

**Actions:**

lu-1. Continue to extend the affordability restrictions as part of the next sale to eligible purchasers and, if necessary, exercise the City's right of first refusal to purchase BMR units to ensure they remain affordable.

lu-2. Annually monitor the status of at-risk assisted rental housing units. Contact current property owners of at-risk projects to determine their financial objectives and appropriate financial assistance needed to meet those objectives (rehabilitation assistance, operating subsidies, additional Section 8 vouchers, etc.).

lu-3. Assist nonprofit housing organizations in acquiring and/or rehabilitating existing affordable rental housing through the provision of financial assistance in exchange for extending the affordability period as required by the applicable funding source.

Responsibility: Housing Division.

Timeframe: Current and ongoing.

Funding: Redevelopment housing Set-Aside funds, CDBG, HOME Program, other state and federal funds targeted for acquisition and/or rehabilitation of at-risk affordable rental housing.

**Policy Iv:** Regulate the amount and timing of condominium conversions

**Actions:**

1v-1: Continue the City's program to restrict conversion of rental units to condominiums if the rental vacancy rate is less than five percent.<sup>6</sup>

1v-2: Conduct a semi-annual survey of rental housing vacancies to determine the applicable vacancy rate for implementing the condominium conversion ordinance.

Responsibility: Community Development Department, Housing Division

Timeframe: Current and ongoing, semi-annual rental vacancy survey.

Funding: Community Development Fund.

**Policy 1w:** Work to eliminate discrimination in housing based on race, color, religion, sex, age, family size, marital status or national origin.

**Actions:**

1w-1: Refer discrimination complaints to Project Sentinel or other organizations that combat housing discrimination.<sup>7</sup>

1w-2: Allocate CDBG and other funds annually to support Project Sentinel or other organizations which promote fair housing programs.

1w-3: Maintain an equitable buyer-selection procedure through a waiting list process for low-, median-, and moderate-income units.

1w-4: Continue to publicize and broaden understanding and acceptance of City housing programs including the discrimination complaints procedure, through public presentations, publications, news items, advertisements in the Morgan Hill Times and Gilroy Dispatch, public service announcements on the City's local access television channel, and by posting flyers at City Hall, City parks, and at various local churches on a continuing bases.

Responsibility: Housing Division.

Timeframe: Current and ongoing.

Funding: Redevelopment housing Set-Aside funds.

**Policy ix:** Integrate below-market-rate and other affordable "Set-Aside" units into existing or proposed developments

---

*6 Morgan Hill has a condominium conversion ordinance that limits condominium conversions to no more than five percent of all rental units annually and to times when the rental vacancy rate is five percent or greater.*

*7 Federal and State civil rights and fair housing laws guarantee the right of citizens to purchase or rent housing without discrimination. State law requires local governments to adopt programs to promote housing opportunities for all. Project Sentinel has been funded in past years by the City using CDBG funds.*



**Action:**

- 1x-1: Retain provisions within the RDCS that give higher ratings to projects that create neighborhoods and residential developments of ethnic and economic diversity.

Responsibility: Community Development Department

Timeframe: Current and ongoing.

Funding: Community Development Fund

- Policy 1y:** Recognize the special siting and design needs of manufactured housing and mobile home developments through appropriate standards and development requirements.

**Action:**

- 1y-1: Continue to implement zoning standards for mobile home parks and manufactured housing developments consistent with State Law to permit these housing options in residential areas of the City. The City will continue to permit manufactured housing on single-family lots subject to the same development standards as site-built homes, and mobilehome parks in the Mulit-Family (Low) density zone. (See Policy 2c for proposed incentives related to mobilehome parks.)

Responsibility: Community Development Department

Timeframe: Current and ongoing.

Funding: Community Development Fund

- Policy 1z:** Promote energy conservation techniques and energy efficiency in all new residential development.

**Action:**

- 1z-1: Retain RDCS incentives for energy conserving building techniques for residential construction by providing additional points in the allocation process for developments that include energy conservation components in excess of minimum state building standards requirements.

Responsibility: Community Development Department

Timeframe: Current and ongoing.

Funding: Community Development Fund

## Goal 2. Preservation of the existing housing supply

**Policy 2a:** Maintain and conserve the City's existing housing stock.

**Actions:**

- 2a-1: Continue the City's Home Improvement Loan Program which provides rehabilitation assistance using both RDA housing Set-Aside and/or CDBG funds.<sup>8</sup>
- 2a-2: Continue City's code enforcement programs with emphasis on rental units, assistance in maintaining affordability, and non-displacement of existing tenants.<sup>9</sup>
- 2a-3: Review the CC-R zoning provisions and design requirements to ensure they are appropriate and flexible in order to facilitate the rehabilitation and retention of existing residential development.
- 2a-4: Ensure that all housing units rehabilitated with City assistance are energy efficient.
- 2a-5: Continue to provide funding for mobilehome repair and senior home repair programs and neighborhood clean-up and paint grant programs.

Responsibility: Community Development Department, Housing Division

Timeframe: Current and ongoing. Review the application of CC-R zoning provisions in FY 06-07.

Funding: Community Development Fund, redevelopment housing Set-Aside funds.

**Policy 2b:** Promote and encourage the preservation of existing residential neighborhoods.

---

*8 Rehabilitation programs assist owners in refurbishing and improving existing properties, and help keep older housing units in use or on the market. Normally this assistance is targeted for lower income homeowners and for units that are affordable for rent to lower income persons. It is generally cheaper to assist in rehabilitating a unit than to build a new one. Assistance usually takes the form of a loan which is eventually repaid. The funds can then be used again. In Morgan Hill, which has a relatively new housing stock, only a few units need rehabilitation. The City is using RDA Set-Aside funds for acquisition and/or rehabilitation.*

*9 Cities have the authority to require property owners to correct violations of City codes. This includes plumbing residential, electrical and fire and safety codes. Older areas are frequently targeted for a coordinated code enforcement program. Residential code enforcement programs need to be handled carefully, however. Lower-income property owners often cannot afford to make necessary improvements, and landlords raise rents to cover the cost of code improvements, making rentals less affordable. To preclude such problems, code enforcement programs can be combined with rehabilitation programs to provide low-cost loans and other assistance. The City also requires relocation assistance when older housing must be demolished.*

**Actions:**

- 2b-1: Coordinate the planning and funding of neighborhood infrastructure improvements by integrating the Capital Improvement Program with the annual Redevelopment Agency programs.<sup>10</sup>
- 2b-2: Support neighborhood code enforcement programs with low cost loans and technical assistance to homeowners. (See Policy 2a regarding City programs for housing rehabilitation, code enforcement, and neighborhood improvement).
- 2b-3: Continue public information efforts to encourage property owners in target neighborhoods to participate in the rehabilitation loan program.<sup>11</sup>
- 2b-4: Utilizing the Rehabilitation Loan program, continue to assist the expansion of existing units to alleviate overcrowding.<sup>12</sup>
- 2b-5: Continue to work with nonprofit housing organizations to identify and acquiring dilapidated or substantially substandard housing units for the purpose of rehabilitating or replacing these housing units.

Responsibility: Housing Division.

Timeframe: Current and ongoing.

Funding: Redevelopment housing Set-Aside funds, CDBG funds, HOME Program funds, other state and federal programs providing funding for housing rehabilitation.

**Policy 2c:** Preserve and protect existing mobile home parks.

**Actions:**

- 2c-1: Maintain the City's rent stabilization ordinance for mobile home parks.<sup>13</sup>
- 2c-2: Continue the City's program to provide rehabilitation loans to upgrade older mobile homes.
- 2c-3: Contact a nonprofit to work with resident groups to explore the purchase of existing mobile home parks, including providing funding for feasibility studies, assisting in accessing state and federal programs (such as the California Home

---

*10 The City will compare the Capital Improvement Program to the Redevelopment Implementation Plan to assure consistency and coordination among implementing actions.*

*11 Public information efforts will include distribution of flyers in public places, to community organizations serving special groups, posting of information on the City's web-site, presentations as community events, and press releases to the media.*

*12 The City will implement this action by continuing to permit the addition of bedrooms and other expansions as an eligible rehabilitation activity to alleviate overcrowding.*

*13 Mobile home parks often are important sources of low- and moderate-cost housing. (Mobile homes make up 11 percent of Morgan Hill's housing stock.) Seniors on limited incomes frequently occupy mobilehomes. Morgan Hill has enacted rent control protection to ensure affordability of mobile home spaces.*



Park Purchase Program), and using redevelopment Housing Set-Aside funding as gap funding.

Responsibility: Housing Division

Timeframe: December 2002.

Achievement: Provided assistance for Millennium Housing to purchase the 166-space Hacienda Mobile Home Park. The purchase ensured 75 percent of the units will remain affordable to lower income households.

Funding: Redevelopment housing Set-Aside funds.

### **Goal 3. Adequate housing for groups with special needs**

**Policy 3a:** Provide incentives through the RDCS for the production of affordable housing for large families.

**Action:**

3a-1: Continue to implement RDCS criteria that provide additional points for the production of housing for large families in the "Housing Needs" and "Housing Types" sections of the criteria.

Responsibility: Community Development Department

Timeframe: Current and ongoing.

Funding: Community Development Fund

**Policy 3b:** Assist in providing affordable housing for single parents.

**Action:**

3b- 1: Continue to work with staff of the Shared Housing program and other non-profit organization to acquire or finance the construction of small rental complexes (duplexes, tri-plexes, four-plexes) to provide shared housing for single parents.<sup>14</sup>

Responsibility: Housing Division

Timeframe: Meet with Shared Housing Program representatives and representatives of other interested non-profit organizations to review available properties and financing options at the time such properties become available for acquisition

Funding: Redevelopment housing Set-Aside funds.

---

*14 To implement this program, the City will assist the Shared Housing Program and other interested non-profit organizations to identify small rental complexes and assess the availability of such properties for acquisition. The Redevelopment Agency will consider using housing Set-Aside funds and/or assist in applying for state or federal funds for acquisition of one or more small rental complexes for shared housing.*

**Policy 3c:** Promote housing that is appropriate for and accessible to the disabled.

**Actions:**

- 3c-1: Continue to enforce State and federal requirements for accessibility to the disabled in new multi-family units.<sup>15</sup>
- 3c-2: Provide low interest rehabilitation loans to make existing residences accessible to the disabled
- 3c-3: Work with nonprofit organizations (Community Solutions and South County Housing are two examples of relationships the City and Agency have with nonprofits) to evaluate the need for additional multi-family units in Morgan Hill for mentally impaired homeless adults.
- 3c-4: Create a "Reasonable Accommodations" handout for staff, homeowners and developers to summarize and publicize that projections into required yards and/or setback reductions on residential properties can be approved by the Community Development Director to allow for reasonable accommodation for persons with disabilities.<sup>16</sup>
- 3c-5: Analyze and amend, as necessary, City codes to ensure they provide reasonable accommodation to persons with disabilities.

Responsibility: Community Development Department and Housing Division

Timeframe: 3c-3: Contact nonprofits during FY 06-07 to review the need for additional housing and available properties for acquisition and conversion should a need be identified.

3c-4: Create handout in FY 06-07.

3c-5: Analyze codes in FY 06-07 and amend, as necessary.

Achievement: Provided \$152,000 loan to Community Solutions to rehab existing transitional housing facility. Rehab to be completed in FY 06-07.

Funding: Community Development Fund, Redevelopment Housing Set-Aside funds, various regional, state, and federal funding sources.

---

*15 State and federal laws require that five percent of multi-family units to be handicapped-accessible or adaptable. These requirements are enforced through the City's Building Division as part of normal building code enforcement. Federal provisions adopted during the 1990s have broadened the applicability of the standards.*

*16 Section 18.56.060 of the Municipal Code allows projections into setback areas for access ramps and similar accommodations, and Section 18.56.150 allows for Minor Exceptions to certain physical development standards in residential zoning districts. The projections are allowed by Code and the exceptions are approved by the Director using a streamlined administrative process involving notification of adjacent property owners.*

**Policy 3d:** Assist in providing housing for seniors**Action:**

- 3d-1: Explore the feasibility of a senior housing development by identifying suitable locations for such housing, financial requirements for a senior housing project, and an interested developer and operator.

Responsibility: Community Development Department, Housing Division

Timeframe: Complete feasibility study and identify potential developers by December 2002.

Achievement: Urban Housing Communities awarded 49 units for senior housing project to be constructed in FY 08-09. Gap financing with RDA being negotiated.

Funding: Community Development Fund, Redevelopment housing Set-Aside fund.

**Policy 3e:** Assist in providing housing related services to groups with special needs.**Actions:**

- 3e-1: Continue to use CDBG and other available funds to support the provision of housing-related services for groups with special needs such as the elderly, single women with children, and battered women.
- 3e-2: Continue to support agencies providing emergency shelter for homeless Morgan Hill residents.<sup>17</sup>
- 3e-3: Continue to participate in the Santa Clara County Homeless Coordinators group to coordinate actions to provide assistance and support to local groups assisting the homeless.
- 3e-4: Continue to participate in the County Intergovernmental Council Committee on Homelessness, or its successor to coordinate actions to provide assistance and support to local and regional homeless service providers. (See Action 3d-2 regarding types of support.).
- 3e-5: Amend the Zoning Ordinance to permit emergency shelters and transitional housing as a conditional use in the R-3 zoning district and in the Non-Retail Commercial land use areas, subject to the existing conditional use permit requirements of the Morgan Hill Zoning Ordinance. These conditional use

---

*17 The Emergency Housing Consortium (EHC) provides emergency shelter for homeless families and individuals. They have a year-round shelter in San Martin and provide winter shelter at a migrant workers camp and the National Guard Armory. The City has provided CDBG and Charitable Contribution funds to EHC since 1986. The County Department of Social Services administers the Homeless Assistance Program which provides temporary shelter grants for up to 21 days per individual or family, and permanent housing assistance with grants to help defray some of the costs of moving into a rental unit.*



criteria relate to design, layout, traffic impacts, and adequacy of the site for the proposed conditional use.

Responsibility: Community Development Department, Housing Division

Timeframe: Actions 3e-1, 3e-2, 3e-3, and 3e-4, current and ongoing. Amend Zoning Ordinance (Action 3e-5) in FY 06-07.

Funding: Redevelopment housing Set-Aside funds, General Fund, CDBG.

**Policy 3f:** Promote home-sharing opportunities for the elderly and for single parents.

**Action:**

3f-1: Assist in marketing shared housing programs by distributing flyers and providing messages on local access television to advertise the program and solicit units available to be shared.<sup>18</sup>

Responsibility: Housing Division

Timeframe: Current and ongoing.

Funding: Redevelopment housing Set-Aside funds.

### Quantified Objectives (1999 – 2006)

	Very Low	Low	Moderate	Above Moderate
<b>New Construction</b>	297	228	615	1,186
<b>Rehabilitation</b>	30	45	N/A	N/A
<b>Conservation</b>	15	10	N/A	N/A

*Note: The City's new housing construction objective for very low-income households is less than the ABAG regional allocation of 455 dwelling units because the City does not believe there will be sufficient local, state, federal, or private subsidies to finance the construction of 455 very low-income units between 1999 and 2006.*

---

<sup>18</sup> City has provided funding to such programs as the Shared Housing program and Project Match which provide services to a high percentage of single parent households and elderly, most of these having female heads.